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## PUBLIC WELFARE POLICY

by

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## PUBLIC WELFARE POLICY

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**R**ECOMMENDATIONS for basic reforms in federal welfare legislation are expected from the Kennedy administration when Congress reconvenes next January. In the meantime, demands for cutbacks in expenditures for aid to the needy are sweeping the country. For the first time since the now massive federal-state-local system of relief was instituted in the 1930s, there is general agreement that a new approach to helping the destitute is imperative.

Concern in the national government over the rising relief burden is paralleled in the many states and localities that have been trying to find some way to lighten the load imposed by support of those who cannot—or will not—support themselves and their families. The extent and depth of this concern were demonstrated last summer by the nation-wide interest shown in the action taken by Newburgh, N. Y., in establishing new eligibility rules for relief clients—rules that brought that small city on the Hudson River into conflict with state authorities and the courts. With the issue still unsettled, Gov. Nelson A. Rockefeller on Aug. 30 appointed a special commission to make a broad study of public welfare in New York State.

### PLEAS FOR REVISION OF ASSISTANCE PROGRAMS

Welfare authorities have for several years recognized the need for a fresh look at public assistance.<sup>1</sup> Congress authorized appointment of an Advisory Council on Public Assistance in 1958 to review the entire program and recommend changes aimed to bring it into line with existing conditions. The commission's report, published last year on the 25th anniversary of passage of the Social Security Act, advanced a number of proposals to fill "serious gaps and inequities that still remain in coverage, in adequacy of public financial assistance and in availability of high quality services."

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<sup>1</sup> The term "public assistance" refers to the direct relief made available to various classes of persons from federal, state or local sources. It is distinct from old-age benefits or unemployment compensation furnished under systems of social insurance.

The long-time trend toward liberalization of public assistance programs continued into the early months of the Kennedy administration. Within a fortnight of his inauguration, the President disclosed that a study was to be made of the feasibility of "a permanent program to aid needy children and certain other groups now excluded from the federal-state public assistance program."<sup>2</sup> At the same time he asked Congress to authorize a temporary program of direct payments for support of children of the unemployed. Congress complied with the request and the new program went into effect for a period of 14 months beginning May 1.

Approval of this undertaking sharpened fears among those urging relief curbs that the administration intended to press for establishment of new categories of persons eligible for public assistance. Closer examination of the administration's position on public welfare, however, indicates that the reforms to be sought will be in the direction not so much of paying out more money to more people as of finding ways to help needy families to become self-sustaining.

#### COMING ADMINISTRATION PROPOSALS ON WELFARE

Shortly after he took office, Secretary of Health, Education and Welfare Abraham A. Ribicoff appointed a commission of 20 social welfare leaders to make a "complete re-examination" of federal, state and local welfare programs and to recommend necessary changes. In addition, he assigned George Wyman, executive director of the Community Planning Council of Los Angeles, to make an independent study of the same field. The Secretary then asked top officials of every state welfare agency to submit recommendations for changes that would improve the programs. The subject of welfare reform was raised also at meetings in the department with representatives of both public and voluntary agencies.

From these reports, recommendations and discussions, the administration will formulate proposals for legislative amendments to be presented to Congress at its next session. While specific proposals are yet to be framed, they are expected to call for a broad-based attack on economic dependency through not only public assistance but also other programs—housing, health, juvenile delinquency, voca-

<sup>2</sup> Message on Economic Recovery and Growth, Feb. 2, 1961.

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tional rehabilitation—which serve predominantly the sectors of the population that receive public assistance.

"People in and out of state and federal legislatures are increasingly annoyed with welfare problems," said Secretary Ribicoff recently. He himself, after six years as governor of Connecticut, had "come to feel that we have been just drifting in the field of welfare." Many social workers "have become merely conduits between the state treasuries and those they seek to help, neglecting prevention, rehabilitation and protective services." Ribicoff said he knew "deep down inside of me that something must be done" to curb the perpetuation of dependency.<sup>3</sup>

### **WIDE INTEREST IN NEWBURGH RELIEF CONTROVERSY**

While the administration was quietly laying the groundwork for a broad new attack on welfare problems, events in Newburgh, N. Y., suddenly blew up a storm of public clamor over relief costs. Attention was attracted to Newburgh, June 20, when the community's city manager, Joseph McD. Mitchell, issued a 13-point relief code, effective July 15, which would put new limits on eligibility for relief and reduce amounts paid to approved relief clients.

New York State's welfare board immediately declared several of the new rules in violation of federal and state laws or regulations and asserted that they would jeopardize the state's right to receive upwards of \$200 million a year in federal aid for public assistance. When Mitchell refused to rescind the new rules, the state board appointed an investigating committee which recommended on July 7, after public hearing, that the board forbid Newburgh to enforce the code. It was nevertheless put into effect. The state thereupon went to court and on Aug. 18 obtained a temporary injunction barring enforcement of 12 of the code's 13 provisions. City officials then filed with the court an interpretation of the code which indicated an intention to apply it less rigorously than had been expected.

Developments in Newburgh made an extraordinary impact on the country. Mitchell reported that he had received thousands of letters, nearly all supporting his "get tough" policies. National organizations representing every shade of opinion on relief matters issued statements praising or condemning the Newburgh plan. Sen. Barry Goldwater

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<sup>3</sup> Address, National Conference on Social Welfare, Minneapolis, May 14, 1961.

(R Ariz.), leader of the Republican right wing, said on July 18 that he wished other cities would follow Newburgh's example. Sen. Jacob K. Javits (R N.Y.) took issue with Goldwater by declaring two days later that national application of the Newburgh program would be a "grave reverse to humane concepts of relief." The relief controversy figured in the mayoralty primary contest in New York City, where the three Republican candidates jointly pronounced that "Gainful work should be found for every able-bodied welfare recipient"—one of the points of the Newburgh code.

Finally, on Aug. 30, Gov. Rockefeller appointed a special investigating commission to make a broad study of public welfare. He said it was time to obtain a "fresh perspective" on the entire welfare question and that it was necessary to reassure the taxpaying public that "their dollars are expended in a manner best calculated to further the social and humanitarian purposes for which public assistance . . . [is] authorized." Rockefeller called for review of existing laws and procedures and for elimination of practices which "tend to discourage self-reliance."

Although no federal welfare legislation was pending when the Newburgh controversy arose, its impact on Congress showed up in action taken on the welfare budget of the District of Columbia. Chairman Robert C. Byrd (D W.Va.) of the Senate District Appropriations subcommittee said, Aug. 17, that welfare expenditures in the national capital were rising so rapidly that the city was becoming "more and more a welfare state." Although the amounts requested for welfare were subsequently cut sharply, the funds actually voted exceeded the previous year's appropriation by more than \$1 million. Senate-House conferees on the D.C. appropriation bill said in a joint statement, Sept. 15, that they were "profoundly disturbed over the growth of the city's welfare budget" and felt that there must be greater determination "to clean welfare rolls of all undeserving persons."

#### CONCERN OVER CHISELING AND THE COST OF RELIEF

Back of the clamor over relief costs is a growing conviction that the program harbors an unknown number of cheats, chiselers or simply irresponsible persons who are content to shift the burden of family support to the government. Suspicion falls particularly on mothers of de-

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pendent children, some of whom are believed to be receiving support secretly from husbands or other men.

Crackdowns on relief fraud have drawn attention to the sizable drain on welfare funds from payments to the unscrupulous in some cities. After a spate of indictments resulting from a grand jury investigation, New York City's welfare commissioner reported on Feb. 2, 1959, that in the previous decade his department had recovered more than \$24 million improperly paid out to relief recipients. Prosecutions for fraud tend to promote voluntary withdrawal from relief rolls.<sup>4</sup> A Kings County (N.Y.) grand jury reported in February 1960 that the number on relief in the county had declined by 10,000 since it opened its investigation in September 1958.

A Baltimore grand jury, reporting Sept. 1, 1960, said it had considered 167 cases of welfare fraud involving a total of \$146,000 in benefits since the first of that year. Severe penalties were imposed on convicted clients by a criminal court judge who said he hoped their cases would serve to deter others fraudulently receiving relief.

A witness before the Senate subcommittee that reviewed the District of Columbia welfare budget said that he knew of men who lived away from home so their wives could draw assistance checks, families who maintained two mailing addresses in order to get double payments, and adults who used money received for support of their children to buy liquor. Although cases like these make headlines, social workers consider chiseling less prevalent than popularly supposed. The board of the American Public Welfare Association insisted in a statement on Aug. 10 that "Chiseling is not a major problem in public welfare." It said that "Public efforts to deal humanely, practically and economically with human need are being damaged beyond measure by a flood of misinformation and inaccurate comment on this situation." Although improvements in administration of public welfare programs were needed, "sound improvements cannot be accomplished by arbitrary and punitive regulations."<sup>5</sup>

<sup>4</sup> Among cases prosecuted were a man who had amassed thousands of dollars by playing the stock market with his relief benefits, another who won \$28,000 in the Irish sweepstakes, and a couple who failed to report that they had received a large settlement for damages in an accident.

<sup>5</sup> The National Urban League on Sept. 5 denounced Newburgh's efforts to clear out relief chiselers as a "demonstration of how a false idea ignorantly or maliciously contrived, can thrive in an atmosphere compounded of indifference and misunderstanding."

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## **Expansion of Assistance Programs**

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PUBLIC ASSISTANCE as a function of the national government is less than a generation old. It originated and has developed as part of an over-all program of social security designed to protect the individual against inadequacy of personal income. When public assistance was initiated under the Social Security Act of 1935, it was expected that as more and more persons qualified for benefits under the old-age insurance phase of the program, the number of destitute old persons would become insignificant. Instead, the number of old persons and others eligible to receive public assistance has continued to grow and now exceeds seven million. This is the nub of the problem which has caused governmental authorities at all levels to seek new solutions.

### **LOCAL-STATE POOR RELIEF PRIOR TO NEW DEAL**

Before Congress accepted the principle of federal participation in relief of economic distress, public expenditures for the needy constituted a minor burden on public treasuries and were of no great interest to the general public. The English Poor Laws, which held each locality responsible for its own needy, served as the basis of disbursements for public welfare in this country from colonial days until the Great Depression. Pre-New Deal aid to the poor reflected the common view of indigent persons as shiftless or otherwise inferior to members of self-supporting families. It was a cardinal principle that public charity outlays should provide only the minimum needed to sustain life; otherwise the pauper would be encouraged to remain a public charge.

The almshouse—or the poor farm—was a favored institution for the destitute of all ages and conditions. It provided the least costly way to support them and supposedly afforded them less opportunity to indulge in the criminal or immoral practices to which they were believed to be particularly addicted. Orphans and children of the poor were often “bound out” as apprentices or assigned under contract to the lowest bidder in whose home the child might earn his keep with menial chores.

During the 19th century, states and localities began to

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establish separate institutions for special classes of paupers—orphans, the deaf, the blind, the aged. The first state agency for supervision of institutional care of the poor was established by Massachusetts in 1863. Early in the present century the idea began to take hold that it might be better to care for indigents outside of institutions. A pension system for the blind was set up by Illinois in 1903. Other states subsequently established cash assistance programs for widows with under-age children. The Territory of Alaska enacted the first old-age pension measure, later declared unconstitutional, in 1912.<sup>6</sup>

The welfare pattern throughout the nation on the eve of the Great Depression was a patchwork . . . of local, county, state and private activities. . . . About three-fourths of all the aid to the indigent was provided under public measures. . . . The programs were scattered and the administration of them tended to be desultory, . . . based on tax measures far from adequate to support them. . . . The almshouse still existed. Poor relief generally was administered harshly and meagerly. . . . The poor had no clearly distinguishable right to relief of their distress, and the harshness of the laws themselves reflected a tendency to regard the poor as beyond hope of redemption.<sup>7</sup>

The break in this pattern came when the depression threw millions of family breadwinners out of work, creating destitution on so extensive a scale that existing programs—public and voluntary—were unable to cope with it.

### **FEDERAL SHARING OF RELIEF BURDEN SINCE 1930s**

The first steps taken by the federal government to alleviate personal economic distress, late in the Hoover administration and early in the Roosevelt administration, were regarded as purely emergency measures to tide people over the worst of the depression.<sup>8</sup> Upon adoption of the Social Security Act, however, the country embarked on a permanent program based on the concept of continuing national responsibility, added to state-local responsibility, for maintenance of the economic security of the individual. The report of the Committee on Economic Security, on which the act was based, described the "primary aim" of

<sup>6</sup> The first old-age pension law to pass the constitutional test was that adopted by Montana in 1923. When the Social Security Act became law in 1935, more than 40 states had some form of "mothers' aid," 28 provided old-age assistance and 24 helped to support the blind, but the assistance in all cases was meager.

<sup>7</sup> Wayne Vasey, *Government and Social Welfare* (1958), pp. 27-28.

<sup>8</sup> The Emergency Relief and Construction Act of (July 21) 1932 made \$300 million available for relief loans to the states through the Reconstruction Finance Corporation. The Federal Emergency Relief Act of (May 12) 1933 made \$500 million available for grants to the states for direct and work relief. Prominent early New Deal work relief agencies included the Civilian Conservation Corps and the Civil Works Administration.

the new program as "assurance of an adequate income to each human being in childhood, youth, middle age or old age—in sickness or in health."<sup>9</sup>

The traditional responsibility of states and localities for poor relief remained but the new law, by establishing standards of eligibility for federal grants for this purpose, effected revolutionary changes in the guiding philosophy and in the operation of such programs. The act not only made it the duty of the federal government to help meet costs of poor relief. It also "changed the emphasis from limited aid to a few needy persons to a comprehensive system for the entire population."<sup>10</sup>

Underlying the Social Security Act was an entirely new view of the indigent; they were no longer regarded as the shiftless, the weak, the incompetent, but as victims of forces in a changing society that were beyond their control. Hence it was the responsibility of society to protect them from want without depriving them of a sense of human dignity and without isolating them from the general community.<sup>11</sup>

#### DIFFERENT AID PROGRAMS; STEADY LIBERALIZATION

The Social Security Act authorized three major programs: social insurance (old-age and survivors insurance and unemployment compensation), health and welfare services to mothers and children, and public assistance. Under public assistance, the act established three categories of beneficiaries eligible for aid from federal funds. States and localities could help other needy persons, but only those in one or another of the three categories—needy aged (65 and over), the blind, and children deprived of normal family support—could be provided for under programs to which the federal government contributed.

Since 1935, Congress in 10 different years has adopted amendments which have tended to broaden the coverage and increase the benefits of public assistance programs.

<sup>9</sup>The committee had been appointed by President Roosevelt in 1934; it submitted its report on Jan. 15, 1935.

<sup>10</sup>Wayne Vasey, *op. cit.*, p. 53.

<sup>11</sup>A typical expression of this view describes the social security programs as protection "against social risks that very few can be sure of meeting wholly through their own efforts—the risks of loss or lack of income when the breadwinner is out of a job, is old or has to retire prematurely because of total disability, or dies leaving others who depended on him for support." It is pointed out that these "social risks" increase "as countries become industrialized and their people increasingly dependent on money income for their livelihood."—Department of Health, Education and Welfare, *Social Security in the United States* (1959), p. 1.

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A series of amendments put into the law in 1950 (1) established a new category of beneficiary, the permanently and totally disabled; (2) extended assistance to aged, blind or disabled persons who are patients in public medical institutions; (3) provided cash benefits for mothers or other adults taking care of children on public dependency rolls; (4) provided for payments directly to doctors, hospitals or other suppliers of medical services to relief recipients; (5) exempted the first \$50 of monthly earnings of the blind in considering eligibility for relief; and (6) extended the federal public assistance program to Puerto Rico and the Virgin Islands.<sup>12</sup>

Amendments in 1952 raised the limit on the amount of individual benefits to which the federal sharing formula would apply and also increased the federal share. Congress in 1956 authorized inclusion of costs of providing services to welfare recipients to help them become self-supporting and to strengthen family life as legitimate administrative expenses for federal sharing. In the same year, restrictions on eligibility for relief of 16-18-year-olds who are out of school were removed and authorization was given for federal payment of up to 80 per cent of the cost of training public welfare personnel.

Major changes enacted in 1958 revised the sharing formula to take account of the financial ability of each state and of the average payment to all recipients in a state. An important effect of the latter measure was to prevent a freezing of benefits at the maximum amount per recipient allowed for federal sharing. The purpose was to encourage states to be more flexible in determining allotments to the needy so that those in greater need would be given above-average payments.

Legislation approved in 1960 made federal assistance available to states for payments to doctors and other suppliers of medical services to the aged. The striking thing about this legislation was that it offered federal assistance for medical care not only to aged persons eligible for public assistance but also to aged persons able to support themselves except for meeting the costs of needed medical services.

Two further amendments, to continue in effect only

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<sup>12</sup> The program was extended to Guam in 1958.

through June 30, 1962, were approved this year. One of them puts children of an unemployed parent who has exhausted other financial resources (including unemployment compensation) in the aid-to-dependent children category. The other permits continuation of payments for support of dependent children after they have been removed from their homes by court action and placed in foster homes. Congress also raised maximums for federal sharing in the costs of medical care for the needy aged from \$12 to \$15 a month per recipient and authorized 100 per cent federal financing of the costs of training public welfare personnel during the 1962 and 1963 fiscal years.

#### NUMBERS RECEIVING FEDERAL OR LOCAL RELIEF

The report of the Committee on Economic Security in January 1935 predicted that if all the measures it recommended were adopted—old-age and survivors insurance, unemployment compensation, mother-child services, public health expansion, etc.—“the residual relief program will have diminished to a point where it will be possible to return primary responsibility for the care of people who cannot work to the state and local governments.” That day has never come.

A few more than one million needy old persons received public assistance in December 1936. By 1940, when monthly benefits under old-age and survivors insurance first became payable, the number of old persons on public assistance was in the neighborhood of two million. The number remained slightly above that figure during the war years. After the war, the total rose to a peak in 1950 of 2.8 million. Since then, it has declined gradually to the present level of about 2.3 million.

The aid to dependent children program started out with half a million recipients. The number reached 1.3 million in 1942 and then fell below one million, where it remained until the end of the war. The increase since the war has been interrupted only by a slight decline in the early 1950s. The latest available total, for June 1961, was 3.4 million, of whom 2.6 million were children in 847,810 families.<sup>18</sup>

The number of blind persons on public assistance increased steadily from 44,000 in the first year to a peak of 108,000 in June 1960; the total has declined slightly in the

<sup>18</sup> The remaining 800,000 were mothers or other persons caring for the dependent children.

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past year. The number of disabled persons on relief rose without interruption from 69,000 in 1950 to approximately 384,000 in June 1961. In the newest of federal public assistance categories, medical aid to the aged, the number of beneficiaries rose from 12,800 at the beginning of the program last November to 46,500 in June 1961.

All states have programs of general assistance, financed by state and local funds, to help people in need who are not eligible for assistance under the federally aided programs. The assistance given may take the form of cash, food, medical care, temporary shelter or other goods or services. Adoption of the federally aided public assistance programs had the effect of reducing the number of persons receiving general local or state relief from 4.7 million in early 1937 to fewer than half a million by the end of 1943. In recent years the non-federal assistance rolls have risen again; they now include about one million persons.

#### OUTLAYS FOR THE PUBLIC ASSISTANCE PROGRAMS

In 1937, the first full year of operation, \$316 million was paid out to clients of the federal relief programs; the national government contributed \$135 million or 43 per cent of the total. Expenditures for public assistance have risen steadily since then; in 1960 the total paid out was \$3.3 billion, of which the federal share was \$1.9 billion or 59 per cent. In addition, states and localities spent around \$350 million for general assistance, making a grand total of nearly \$3.7 billion. Legislation enacted this year will push relief costs still higher; if all states participate in the program to help support children of the unemployed, \$290 million will be added to the relief budget to provide benefits for some 750,000 children and 250,000 adults during the 14 months the program is in effect. Other new provisions of federal law will add \$10 million annually for increased federal payments for medical aid.

The most costly of the relief programs is that for public assistance to old people; it required an outlay of \$1.9 billion in 1960. Payments for dependent children that year totaled a little more than \$1 billion, aid to the disabled \$271.2 million, and aid to the blind \$92.3 million. Average monthly payments in June 1961 were \$73 to the blind, \$68 to the aged and disabled, and \$30 to the children.<sup>14</sup> A

<sup>14</sup> Average payments under public assistance vary considerably from state to state. In June 1961 the range for the aged was from \$85 in Mississippi to \$96 in Colorado, for dependent children from \$9 in Mississippi to \$52 in Connecticut.

tally of eight states participating in the medical assistance for the aged program last June showed that average payments ranged from \$17 in Maryland to \$310 in Michigan.

Prospects for cutting relief costs under present programs appear slim. The burden of public assistance has grown over the years chiefly because of statutory changes liberalizing benefits and coverage and because of population increases in the ages of greatest dependency: the very old and the very young. The rising percentage of elderly people in the population receiving old-age insurance benefits or private pensions has not eliminated the need for public assistance to old persons, because inflation has reduced the purchasing power of the benefits; nearly 700,000 aged beneficiaries of old-age and survivors insurance were also receiving supplementary public assistance benefits last year.

Growth of social insurance and of private pension plans has nevertheless placed a considerable check on the rise of public assistance for the needy aged. In early 1951 the number receiving old-age insurance benefits overtook for the first time the number on relief; today the ratio of aged on the two programs is nearly five to one. A large percentage of the aged on public assistance are past 75, three out of five are women, and many are widows who have never been employed and whose husbands were not covered by social security when they died. Some decline in the number of old persons requiring public assistance may therefore be expected in the future.

The significant growth of public assistance has been in the program for aid to dependent children. Social forces which have tended to disrupt family life have played a large part in this development. The death or disability of a father figures much less prominently among children on public assistance today than it did in the early days of the program, due largely to medical care improvements and the availability of insurance benefits. Between 1952 and 1958, the proportion of child recipients who were paternal orphans dropped from 36 to 11 per cent. Approximately two-thirds of the children now aided are non-orphans whose fathers have left the home.<sup>15</sup>

<sup>15</sup> A survey in late 1955 of the status of the father in A.D.C. families showed the following: Father incapacitated, 21.8 per cent; not married to mother, 20.3 per cent; deserted the mother, 18 per cent; divorced, 13.5 per cent; dead, 11 per cent; separated from mother, 8 per cent; absent for other reasons, 5.6 per cent; father present, miscellaneous status, 1.8 per cent. Source: Department of Health, Education and Welfare, *Illegitimacy and Its Impact on the Aid to Dependent Children Program* (April 1960), p. 32.

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## Current Issues in Public Assistance

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THE WOMAN ON RELIEF who has a succession of illegitimate children presents one of the most frustrating of all problems encountered by public authorities seeking to hold down welfare costs. In some cases, daughters of these women have become pregnant too, years before they reach the relief cut-off age of 18, thus producing the "three-generation welfare family" of mother-child-grandchild all on relief. Locating the fathers and forcing them to support their offspring present almost insuperable problems to the welfare worker, even if the father is suspected of continuing the liaison.<sup>16</sup>

Concern over this problem in Congress influenced the Senate Appropriations Committee in 1959 to direct the Department of Health, Education and Welfare to study the impact of the increase in illegitimate births on the aid to dependent children program. The department reported the following year that 12½ per cent of all out-of-wedlock children under the age of 18 were receiving A.D.C. support; they represented 16 per cent of all A.D.C. children. The department nevertheless concluded: "Evidence does not confirm an assumption that A.D.C. contributes to illegitimacy. If the purpose of the program is carried out, it should not only provide the daily bread for these needy children but should operate to bring about improvement in their homes and in their futures."<sup>17</sup> The study showed that illegitimate children, on the average, received public assistance for less than 2½ years, that the great majority were born before the family went on relief, and that more than 15 per cent of the mothers worked at least part time and received supplementary aid from the A.D.C. program.

### CONTROVERSY OVER STATE "SUITABLE HOME" LAWS

A number of states have adopted legislation designed to curb the prevalence of illegitimacy among children on relief. A favored measure has been to threaten denial of assistance to families which do not maintain a "suitable

<sup>16</sup> The Oneida County (N.Y.) welfare commissioner announced last July that he had ordered investigators to make surprise after-dark visits to the homes of relief clients "because this is the only time we can catch up with some of these people."

<sup>17</sup> Department of Health, Education and Welfare, *Illegitimacy and Its Impact on the Aid to Dependent Children Program* (April 1960), p. 8.

home." The Department of Health, Education and Welfare found early in 1960 that 24 states had "suitable home" laws but that many of them merely called for efforts to improve home conditions. The laws of six states (Arkansas, Georgia, Michigan, Mississippi, Texas, Virginia) authorized denial or discontinuance of relief if the home was found unsuitable; the Michigan and Texas statutes specified conception out of wedlock as a factor in a home's unsuitability.<sup>18</sup>

After the report on this survey was published, Louisiana joined the states with a "suitable home" provision and applied it so severely that the state came into conflict with the federal government. When the Louisiana law went into effect in July 1960, the state public welfare department ordered its staff to terminate relief immediately to children whose parental or other caretaker was living with a person of the opposite sex in an unmarried state, and to children whose mother or other female caretaker had given birth to an illegitimate child after having gone on relief. Assistance was not to be resumed until proof had been presented that the illicit relationship had been terminated. Among new applicants, women who had two or more illegitimate children or who had given birth to an illegitimate child within the preceding two years were to be denied relief unless they could prove that they had ceased illicit relationships.

Drastic cutting of the relief rolls followed launching of the Louisiana program. By the end of September 1960, the state had shut off relief in cases affecting 23,000 children—one-fourth the total on A.D.C.—and although some were later readmitted, there was delay in taking applications. No provision was made for restoring benefits lost to those whose readmission was deferred for many weeks.

The U.S. Commissioner of Social Security called Louisiana authorities to a hearing on Oct. 25, 1960, to determine whether the state was still eligible for federal grants. At the hearing the state submitted new instructions issued to its welfare staff to make application of the law less severe. After further hearings, the state informed the federal agency on Nov. 23 that it had taken steps to assure that eligible families would not be summarily taken off relief, that no families removed from the rolls would miss

<sup>18</sup> See "Rise in Illegitimacy," *E.R.R.*, 1959 Vol. I, pp. 286-291.

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payments if later proved eligible, that assistance would be continued in doubtful cases, that all removed families would be informed of their right of appeal, and that services would be extended to children in unsuitable homes.

In an opinion handed down on Jan. 16, 1961, the Commissioner of Social Security found that while the state had been in violation of the requirements of the federal statute, its subsequent action had removed the reason for a finding of non-conformity. The commissioner said, however, that he rendered this opinion "with reluctance." He did not condone the action of the Louisiana legislature, which he said he suspected was more concerned with "disciplining parents" than protecting children. He felt compelled to decide for the state because the policy of the agency in the past had always been "to oppose . . . but not to prohibit the state's use of 'suitable home' as an eligibility factor which results in discontinuance of aid to dependent children payments . . . before arrangements have been worked out to protect the welfare of the children."

As a result of the Louisiana hearing, H.E.W. issued a revised statement of policy last Jan. 17 which stipulated that a state was not to deny a child assistance on the basis of home conditions unless and until appropriate provisions had been made to meet the child's need in another way. Any state denying funds for a child's support because of the behavior of its caretaker would therefore not be entitled to a federal grant for public assistance.<sup>19</sup>

#### **POPULAR DEMAND FOR PROGRAMS OF WORK RELIEF**

A public assistance question that will have to be settled in due course is whether the temporary program adopted this year authorizing assistance to children of unemployed fathers should be made permanent. Critics of the basic program, which limits aid to children whose fathers are dead, incapacitated or absent from the home, say that it penalizes children whose fathers cannot earn enough to support them and encourages men with low earnings to leave home in order to make their families eligible for relief. Yet an important objective of the program is to help maintain a stable home for the rearing of children.

<sup>19</sup> One of the original points in the controversial Newburgh code was that mothers of illegitimate children on relief would be denied assistance if they had any more out-of-wedlock children. But in a court paper filed in mid-September, the city said the women would be advised that their homes would be investigated and if found unsatisfactory, court action would be taken to place the children under foster care.

Temporary provision of relief for families of able-bodied but unemployed men has accentuated popular demand for programs of work relief. No federal funds have been available for work relief since the last New Deal program of that kind was terminated in 1943. A number of states and localities, however, have operated work relief programs without federal aid. When the 1961 amendment was adopted, officials in these areas feared that their states would have to discontinue work relief in order to qualify for their share of federal aid under the new temporary program.<sup>20</sup>

The Department of Health, Education and Welfare stated on July 19, however, that while no federal funds were available for work relief, the new law "does not prohibit any state or community from conducting any kind of separate program to aid the unemployed that it chooses . . . including work relief." The new law in fact prohibits payment of A.D.C. funds to a family if the head refuses to take an offered job without good reason, and A.D.C. funds may be used to supplement family income if work relief earnings are insufficient to meet family needs.

Support for the principle of work relief is fairly universal. Ribicoff told a news conference, Aug. 24, that he would favor federal participation in work relief if the program carried safeguards against displacement of regularly employed workers and did not undercut existing pay scales. "I think that to the fullest extent possible a person who can do work should do it for the welfare . . . money he receives," said the Secretary.

Interest in work relief is growing. Under the Newburgh plan able-bodied males on relief were to go to work for the city. Baltimore started such a program on Aug. 24, and the Richmond, Va., city council voted on Sept. 1 to do likewise. Welfare recipients in some Oregon counties have been put to work clearing brush along highways.

Some communities have instituted training programs to prepare relief clients for paying jobs. New York City took that step recently and there are similar programs in Chi-

<sup>20</sup> A state cannot obtain federal grants for a public assistance program unless the state plan for carrying out the program conforms with rules and regulations laid down by the federal government. Recent consternation about the A.D.C. program apparently arose from fear that state or local work relief payments to an unemployed parent receiving A.D.C. aid for his children might be construed as indirect use of federal funds for work relief in violation of federal regulations.

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cago, Cincinnati, Los Angeles and other cities. Cleveland, which has had a program of this kind for five years, recently reported that it had succeeded in putting 1,400 former relief clients into jobs, saving around \$1.5 million in relief expenditures. Washington, D. C. established a training center for mothers on relief last April; by August it was reported that 27 mothers had become self-supporting, earning more than they had received as recipients of public assistance.

### **PROPOSALS FOR IMPROVING PROGRAMS TO AID NEEDY**

Pressure for major changes in the public assistance law will bring into the open many other conflicts over operation of the programs. Despite the clamor to reduce relief costs, there is considerable demand for increased federal aid to fill "unmet needs." The Advisory Council on Public Assistance estimated that in 1958 the states should have spent \$255 million more than they did to provide for the aged and for dependent children in accordance with their own estimates of needs; and that state relief budgets were \$785 million short of providing fully adequate levels of support.

A statement representing the consensus of leading private organizations in the welfare field, presented to the House Ways and Means Committee last Feb. 17, pointed to "serious deficiencies in public assistance programs in many parts of the country" and cited numerous examples of acute economic distress. The voluntary groups said they were hard pressed to help the overflow from public relief programs.

The Newburgh controversy highlighted growing pressure for allowing localities a greater measure of control over poor relief programs. Demand for more supervision over how relief clients spend their money seems to be increasing. The Wisconsin legislature recently memorialized Congress to authorize localities to require an accounting of expenditures from relief recipients and to dispense aid in the form of commodities or vouchers for goods and services.

There is growing support for abolishing the categorical system in public assistance and substituting a single grant to each state to be used as it sees fit to aid the needy of all ages and conditions. The Advisory Council on Public Assistance recommended that states be given the right to

elect the single grant, single program at their discretion. Arthur S. Flemming, H.E.W. Secretary in the Eisenhower Administration, said he believed the one-program system would "make a greater contribution to the meeting of human needs than the present categorical approach."<sup>21</sup>

Flemming supported also a proposal by the Advisory Council on Public Assistance that all residence requirements for relief under federal assistance programs be abandoned. Most states require at least one year's residence before an individual applies for relief, and it is widely feared that the needy would migrate to the more generous states if residence rules were rescinded. New York, which had been one of the few states with no residence requirement, adopted a law, effective last July, which provides that anyone who has lived in the state for less than six months is ineligible unless he submits proof that he came to the state for a purpose other than to get on relief.<sup>22</sup>

Above all, it is agreed that the best way to help both the needy and the taxpayer is to institute measures to prevent or terminate dependency. A new program of grants for cooperative research into the causes of dependency and related social welfare problems was announced by the Social Security Administration last March. Assistant Secretary of Health, Education and Welfare Wilbur J. Cohen has described this program as "a good beginning toward meeting a long-recognized need—finding better ways to help people help themselves by searching out the causes of their difficulties."

<sup>21</sup> Address, American Public Welfare Association, Washington, D. C., Dec. 2, 1959.

<sup>22</sup> The New York law represented a compromise. Gov. Rockefeller vetoed a bill in 1960 which would have barred welfare payments to anyone who had not lived in the state at least a year.



